



U.S. DEPARTMENT OF ENERGY
Office of Electricity Delivery and Energy Reliability
Infrastructure Security and Energy Restoration

ENERGY ASSURANCE DAILY

Thursday Evening, December 29, 2016

Electricity

Update: Power Restoration Progresses to SDREA Customers in South Dakota December 29 after Winter Storm Hits December 25

South Dakota Rural Electric Association (SDREA) on Wednesday said electric cooperatives across South Dakota were continuing to make progress restoring power to the 19,119 customers that lost service after a winter storm hit on December 25. The storm brought heavy snow, strong winds, freezing rains, and lightning strikes, which toppled trees and powerlines. According to SDREA, repairs to powerlines across the state were hampered as crews encountered deep snow across the western service territories, and thick ice across impacted areas in the east. Nine distribution cooperatives continue to experience outages related to the storm and are advising customers it could take several days before power is restored to all areas. At least seven other cooperatives had also experienced outages, but were able to make repairs by Monday afternoon. As of 3:30 p.m. EST on Thursday, 7,080 SDREA customers remained without power. South Dakota's 28 distribution cooperatives provide electricity in each of the state's 66 counties serving more than 120,000 South Dakota customers and maintains more than 68,000 miles of distribution and transmission lines.

<http://sdrea.coop/sites/sdrea/files/PDF/Dec%2028%2C%202016.pdf>

<https://outages.sdrea.coop/outages/maps>

<http://www.ktiv.com/story/34144529/2016/12/Wednesday/update-10000-without-power-in-south-dakota-after-christmas-storm>

<https://www.oe.netl.doe.gov/docs/eads/ead122716.pdf>

Petroleum

Phillips 66 Reports Operations Unaffected at Its 336,000 b/d Wood River, Illinois Refinery after Rail Car Derailment December 29

Phillips 66 said operations at its Wood River, Illinois refinery were not impacted when several rail cars derailed Thursday morning at Norfolk Southern Railway property inside its facility. Phillips 66 said a release of about one gallon of material was contained. Earlier on Thursday, Phillips 66 also reported a wet gas compressor trip at the refinery, according to a filing with the Illinois Emergency Management Agency.

Reuters, 4:23 December 29, 2016

Reuters, 14:20 December 29, 2016

Update: Citgo Reports Temporary Power Loss at Its 157,500 b/d Corpus Christi, Texas Refinery December 28

Citgo Petroleum Corp reported the east plant of its Corpus Christi, Texas refinery experienced a temporary loss in power that resulted in flaring and excess emissions on December 28, according to a filing with the Texas Commission on Environmental Quality. Citgo said the substation was re-energized and units were returned to normal operation.

Reuters, 19:32 December 28, 2016

Chevron Reports Process Upset at Its 245,271 b/d Richmond, California Refinery December 28

Chevron Corp reported emissions due to a process upset at its Richmond, California refinery, according to a filing with the California Emergency Management Agency. Chevron said the refinery was continuing to operate.

Reuters, 23:26 December 28, 2016

Tesoro Reports Unit Startup at Its 166,000 b/d Martinez, California Refinery December 22

Tesoro Corp reported the startup of a gas production unit at its Martinez, California refinery on December 22, according to a filing with Contra Costa Health Services.
Reuters, 12:38 December 29, 2016

Phillips 66 Reports Partial Shutdown at Its 120,200 b/d Rodeo, California Refinery December 28

Phillips 66 on Wednesday reported a partial shutdown of its Rodeo, California refinery due to an incident at Air Liquide's hydrogen plant located next door to the refinery, according to a filing with Contra Costa Health Services made public on Thursday. The incident resulted in flaring and prompted a shutdown of at least two hydrocracker unit that use hydrogen as a catalyst to process residual fuels into higher-value products such as distillate and gasoline. Air Liquide is an industrial gas supplier to sectors including automotive, chemical, oil and gas, aerospace, engineering, and construction.

Reuters, 13:21 December 28 2016

<http://www.eastbaytimes.com/2016/12/28/rodeo-part-of-refinery-shut-down-following-incident/>

Western Refining Facing Possible Strike at Its 88,900 b/d St. Paul Park, Minnesota Refinery in Early 2017 – Union Statement

Western Refining's St. Paul Park, Minnesota refinery could be headed for a strike at the beginning of the year, according to the Local 120 Teamsters union on Wednesday. The union authorized a strike in a vote earlier in December. The refinery produces gasoline, diesel, jet fuel, and asphalt which is sold around the U.S. Midwest.

http://www.downstreamtoday.com/news/article.aspx?a_id=54796

DNREC Approves Ethanol Project at PBF Energy's 182,200 b/d Delaware City, Delaware Refinery December 28

The Delaware Department of Natural Resources and Environmental Control (DNREC) on Wednesday approved PBF Energy's plan to store and ship higher volumes of unblended ethanol by barge from its Delaware City, Delaware refinery. PBF filed a permitting application with the DNREC on August 15 that would allow the company to increase its ethanol handling capacity from 84,000 gallons per day to 420,000 gallons per day. Currently, the gasoline additive is shipped to the refinery from other states by barge, stored, and then blended with gasoline blendstocks before the finished gasoline is shipped to customers across the country. The DNREC Secretary signed an order affirming PBF's proposed \$7 million Ethanol Marketing Project is consistent with the state's Coastal Zone Act, which clears the way for the company to seek other permits required for the new operation. PBF also intends for the project to serve as an ethanol depot that receives, stores, and ships the gasoline blending component to other facilities along the East Coast. PBF Energy said full operation is expected during the first quarter of 2017.

<http://www.delawareonline.com/story/money/business/2016/12/28/dnrec-approves-delaware-citys-refinerys-ethanol-project/95911352/>

<https://www.oe.netl.doe.gov/docs/eads/ead090816.pdf>

Flint Hills Begins Demolishing Its Shuttered North Pole, Alaska Refinery December 28

Flint Hills Resources has begun tearing down its dormant North Pole refinery near Fairbank, Alaska, although fuel storage operations at the facility will continue. Until 2014, the plant was producing jet fuel, gasoline, asphalt, and specialty fuels from North Slope crude oil shipped on the trans-Alaska oil pipeline. With no parties interested in purchasing and operating the refinery, the prudent step was to demolish the refinery and repurpose the site for productive future use, according to a company spokesperson. The refinery opened in 1977 and transitioned to a storage facility in 2014.

http://www.newsminer.com/news/local_news/flint-hills-demolishing-north-pole-refinery/article_52af04ae-cda4-11e6-bf81-976ab0fa92ea.html

U.S. House Energy and Commerce Committee Leaders ask GAO to Examine SPR Management and IEA Obligations December 28

U.S. House Energy and Commerce Committee leaders asked the Government Accountability Office (GAO) to investigate whether the U.S. Strategic Petroleum Reserve (SPR) is being managed effectively and if the United States should continue its participation in the International Energy Agency (IEA). Committee leaders said the U.S. Department of Energy, which manages the 713.5 million barrels reserve's four underground storage sites along the Louisiana and Texas Gulf Coast, concluded in a recent report to Congress that the SPR's aging infrastructure and shifts in commercial midstream distribution systems have reduced its ability to add incremental barrels of crude oil to the market. The report revealed that the actual distribution capacity could be more than 2 million barrels below the design drawdown rate of 4.4 million b/d. In addition, as of August 2016 the United States held roughly 378 days of net petroleum imports between both commercial and government owned stocks, which is well above the IEA member commitment to store and maintain 90 days of net petroleum imports. The committee requests by May 31, 2017 that GAO assess the state of the SPR's surface and subsurface infrastructure and its ability to mitigate the impacts of a crude oil supply disruption; DOE's management of the SPR and the quality of DOE's analysis to support long-term decision making; cost-effective options to protect the United States from energy supply shocks, including whether or not to continue maintaining the reserves; and cost-effective compliance options to meet U.S. obligations to the IEA.

<https://energycommerce.house.gov/sites/repUBLICans.energycommerce.house.gov/files/documents/114/letters/20161222GAO.pdf>

<http://www.ogj.com/articles/2016/12/us-house-energy-and-commerce-leaders-ask-gao-to-examine-spr.html>

U.S. Commercial Crude Stocks Increase by 614,000 Barrels December 23 – EIA

U.S. commercial crude inventories rose by 614,000 barrels to 486 million barrels during the week ending December 23, compared with expectations for a decrease of 2.1 million barrels, the Energy Information Administration (EIA) said on Thursday. Meanwhile, commercial crude stocks at the Cushing, Oklahoma delivery hub rose by 172,000 barrels to 66.4 million barrels, EIA said.

Reuters, 11:02 December 29, 2016

Natural Gas

Southern Union Reports Unit Offline at Its 140 MMcf/d Keystone Gas Plant in Texas December 27

Southern Union reported the low pressure unit C24 inlet suction header filled with liquids and went offline. Operators were removing liquids from the inlet header in order to bring the unit back online as soon as possible.

<http://www2.tceq.texas.gov/oce/ee/index.cfm?fuseaction=main.getDetails&target=249438>

Other News

Nothing to report.

International News

Nothing to report.

Energy Prices

U.S. Oil and Gas Prices December 29, 2016			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	53.75	51.85	37.83
NATURAL GAS Henry Hub \$/Million Btu	3.66	3.48	2.08

Source: Reuters

Links

This Week in Petroleum from the U.S. Energy Information Administration (EIA)

<http://www.eia.gov/oog/info/twip/twip.asp>

Updated every Wednesday.

Weekly Petroleum Status Report from EIA

http://www.eia.gov/oil_gas/petroleum/data_publications/weekly_petroleum_status_report/wpsr.html

Updated after 10:30 AM & 1:00 PM ET every Wednesday.

Natural Gas Weekly Update from EIA

<http://www.eia.gov/oog/info/ngw/ngupdate.asp>

Updated after 2:00 PM ET every Thursday.

ENERGY ASSURANCE DAILY

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<http://www.oe.netl.doe.gov/ead.aspx>

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